

# FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Tel 847.318.7575  
Fax 847.318.7588

RECORDATION NO. 25500-A FILED

AUG 11 '05

3-30 PM

SURFACE TRANSPORTATION BOARD

AUG 11 2005

VIA UPS 2<sup>nd</sup> DAY AIR

August 9, 2005

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated May 18, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 25500.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Southern Railway of British Columbia Ltd.  
2102 River Drive  
New Westminster, BC V3M 6S3  
Canada

A description of the railroad equipment covered by the enclosed document is two hundred (200) 73", 100-ton, new riserless centerbeam flat cars, marked SRY (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows:                      Memorandum of Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5355.  
Thank you for your cooperation in this matter.

Very truly yours,



Susan Grokulsky  
Manager of Documentation

Enclosures

(SRY004)

ASSGN. NO.: SRY004

**MEMORANDUM OF LEASE**

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this May 18, 2005, by and between FIRST UNION RAIL CORPORATION ("Lessor"), a North Carolina corporation, and SOUTHERN RAILWAY OF BRITISH COLUMBIA LIMITED ("Lessee"), a British Columbia corporation.

**WITNESSETH:**

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of October 5, 2000, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to this Rider No. 4 (the "Rider"), as described in more particulars on Exhibit A attached hereto, effective as May 18, 2005, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

**LESSOR:**

FIRST UNION RAIL CORPORATION

ATTEST:

By: [Signature]  
Name: THERESA CATAPANO  
Title: MGR. OF DOCUMENTATION

By: [Signature]  
Name: Richard F. Seymour  
Title: Vice President, Sales & Marketing

[CORPORATE SEAL]

RECORDATION NO. 25500-A FILED

STATE OF ILLINOIS  
COUNTY OF COOK

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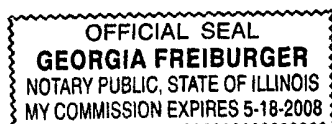
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 18<sup>th</sup> day of May, 2005.

[Signature]  
Notary Public

My Commission Expires:

5-2008



LESSEE:

SOUTHERN RAIL OF B.C. LTD.

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: *J. F. Vander Burch*  
Name: J. F. VANDER BURCH  
Title: President

[CORPORATE SEAL]

PROVINCE OF British Columbia

DISTRICT OF New Westminster

I, B. Martin Kastelein  
Notary Public  
450 - 6th Street  
New Westminster, B.C. V3L 3B3  
Phone: (604) 526-7884, a Commissioner of Oaths of the Province and  
District aforesaid, certify that John Franklin Vanderburch personally appeared  
before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

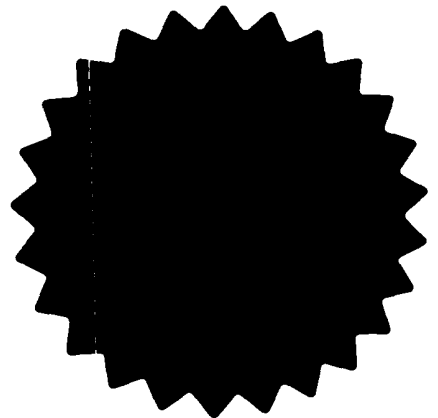
WITNESS my hand and official stamp or seal, this 13 day of May, 2005.

*[Signature]*  
Commissioner of Oaths

My Commission Expires:

N/A

**B. MARTIN KASTELEIN**  
Notary Public  
A Notary Public in and for  
the Province of British Columbia  
450 Sixth Street  
New Westminster, B.C. V3L 3B3  
Tel. 526-7884  
Commissioned for Life



**EXHIBIT A**

**To**

**MEMORANDUM OF LEASE**

NUMBER OF CARS: Two hundred (200).

DESCRIPTION OF CARS: 73' New riserless Centerbeam Flat Cars (F483), 110-ton, 286,000 GRL, to be built by National Steel Car in 2004.

CAR NUMBERS: SRY 286390 to SRY 286589, inclusive.